



Sanlam Employee Benefits
Guide for Contracted Benefit Consultants

Insurance

Financial Planning

Retirement

Investments

Wealth



Introduction

The trustees of the Sanlam Umbrella Fund require that every participating employer use the services of a Contracted Benefit Consultant to provide advice on benefits and fund structure to the participating employer on an on-going basis.

This guide for Contracted Benefit Consultants summarises the duties and responsibilities applicable to consultants who manage and monitor an employer's participation in the Sanlam Umbrella Fund. It should be read in conjunction with the latest version of The Fund in Detail document and the Administration Guide which sets out the duties and responsibilities of all parties to the Fund.

The Contracted Benefit Consultant undertakes to comply with all requirements and duties set out in this guide and the Fund in Detail as amended from time to time, including the use of the EB Portal.

Financial Advisory and Intermediary Services Act (FAIS) requirements

The Contracted Benefit Consultant must be compliant in terms of the FAIS Act (Pension Fund Benefits 1/7) (no 37 of 2002) to render these services to a participating employer. The Contracted Financial Adviser and the Joint Forum must be compliant in terms of the FAIS Act (Pension Fund Benefits 1/5) (no 37 of 2002) to the members of the participating employer.

Duties and responsibilities of Contracted Benefit Consultant

The Contracted Benefit Consultant's responsibility is to:

- ④ Provide advice on benefits and fund structure including the most appropriate default investment strategy.
- ④ Assist the employer with the completion of all fund installation, amendments and any other documentation required for effective administration purposes.
- ④ Assist the employer with written member communication and presentations should a Section 14 transfer be required, as well as all other requirements such as notification of termination to current service providers.
- ④ Assist the employer with all administrative duties including medical underwriting requirements.
- ④ Attend to general member queries and product related queries.
- ④ Provide Sanlam with electronic versions of any tailored member communication to be published on the member web portal.
- ④ Assist the employer with the nomination and election of member representatives to the Joint Forum.
- ④ Arrange the Joint Forum meeting and perform secretarial functions (at least one per annum).
- ④ Send minutes of Joint Forum meetings to the Fund Secretariat.
- ④ Timeously discuss the outcome of the Fund's annual revision process with the Joint Forum and participating employer.
- ④ Assist the employer with the completion of the death claims pack.
- ④ Perform member presentations as and when required that covers fund structure and benefits (may include induction presentations).
- ④ Obtain a username and password and utilise the EB Portal to access all fund related information.
- ④ Access the monthly Sanlam Umbrella Fund Consultant Toolkit in order to remain updated on product and industry information <http://seb-news.sanlam.co.za/consultant-toolkit/>.

Communication

- ④ If the Contracted Benefit Consultant signs the Communication Agreement form, all communication to the participating employer will be routed via his/her office, and it is his/her responsibility to ensure that the participating employer complies with the requirements as set out in the signed agreement and the Fund in Detail.
- ④ Provide the participating employer with all relevant communication received from Sanlam Umbrella Fund including legislative changes, rate reviews and general information.
- ④ Ensure that member communication received from the Sanlam Umbrella Fund, such as member benefit statements, are distributed to members timeously.



On-boarding a new Participating Employer

The Contracted Benefit Consultant will be assisted by a Client Solutions Specialist from Sanlam Employee Benefits when establishing and implementing a new participating employer on the Sanlam Umbrella Fund.

The Contracted Benefit Consultant must ensure that all FAIS Act requirements regarding advice on benefit structure to the employer, communication to members on their proposed benefits and termination of existing fund contracts with other service providers, if applicable, has been met.

The completed and signed documentation together with updated member data should be submitted by the 15th of the month prior to inception date to ensure that the implementation is completed before the first contribution is due.

The table below provides a timeline of actions that will take place during the implementation month (assumes an implementation date of 1 June):

Date	Action
15 May	Completed and signed documentation and updated member data is submitted to Sanlam Umbrella Solutions.
15 to 25 May	Sanlam Umbrella Solutions will: <ul style="list-style-type: none"> ⌚ Ensure all information provided is correct ⌚ Produce new quotations if required ⌚ Inform the insurer to place members on risk ⌚ Commence with the installation process
1 June	Participating employer receives a welcome mail introducing the Client Relations Manager who will be responsible for post-sales servicing.
10 to 25 June	A starter pack meeting attended by the Client Relations Manager, the Client Solutions Specialist and the Contracted Benefit Consultant is held at the office of the participating employer.
30 June (latest 7 July)	Participating employer pays contributions via EFT and forwards accompanying schedule.
10 working days later	Contributions are receipted and invested.

Amendment of an existing Participating Employer's fund:

If a participating employer amends their Sub-Fund's benefit structure, a two month's notice period will be required. All required documents must be submitted to:

Acceptances4UmbrellaFunds@sanlam.co.za



Duties and responsibilities of the Contracted Financial Adviser

The Contracted Benefit Consultant may use the services of a third party to provide advice to members. Should no third party provide this service, it is the responsibility of the Contracted Benefit Consultant to do so.

The Contracted Financial Adviser undertakes to comply with all requirements and duties set out in this guide and the Fund in Detail as amended from time to time, including the use of the EB Portal.

The Contracted Financial Adviser undertakes to provide, inter alia, the following services to members:

- ④ Provide members with individual financial advice related to the fund
- ④ Advice & assistance on completing beneficiary nomination forms
- ④ Advice on member options at retirement, withdrawal or disability
- ④ Advice to beneficiaries of deceased members
- ④ Advice & assistance with the completion of flexible death benefit forms
- ④ Advice on individual member investment choices and assistance with completion of forms

Consulting fees

Consulting Fees are paid monthly to each participating employer's FAIS-accredited adviser for providing the Contracted Benefit Consulting and Contracted Financial Advisory services.

Consulting Fees are determined on commencement of a fund and are not subject to review as part of the annual revision process or with any amendments to benefits, but can be reviewed at any time by negotiation and agreement between the Contracted Benefit Consultant, the Contracted Financial Adviser (if applicable) and the Participating Employer. Any consulting fee reviews are thereafter implemented by way of the Fund's formal amendments process. The earliest effective date of an amendment of consulting fees is the 1st of a month following receipt of all required documentation.

The trustees have approved the following standard remuneration scale per participating employer for the full range of contracted services:

Percentage	Annual contribution
7.50%	The first R200 000
5.00%	More than R200 000 up to R300 000
3.00%	More than R300 000 up to R600 000
2.00%	More than R600 000 up to R2 000 000
1.00%	More than R2 000 000

- ④ Calculated using total retirement contributions plus insured benefit premiums (excluding insured benefit premiums in respect of insurance policies falling outside the Sanlam Umbrella Fund's risk pool).
- ④ Retirement contributions plus risk premiums are combined to determine one annualised amount to be used to calculate consulting fees at inception.
- ④ The annualised amount is expressed as a percentage of salaries, as a flat Rand amount per member per month or a percentage of assets under management.
- ④ Membership and total salaries will affect the amount of consulting fees payable from month to month.

It is permissible for the Contracted Benefit Consulting and Contracted Financial Advisory services to be provided by different FAIS-accredited advisers, in which case the standard Consulting Fee will be split between these two contracted advisers, and the agreed split advised to Sanlam.

Tailored consulting fees

Participating employers can negotiate a tailored consultancy service with their advisers at an appropriate fee, in lieu of the standard consulting fee scale. In such cases, a contract needs to be signed by both the participating employer and financial adviser, and it must include all the trustees' requirements for Contracted Benefit Consulting and Contracted Financial Advisory services.

Payment process

Contracted Benefit Consultants can select from two payment options:

01

Via the Consultant's Sanlam commission code.

02

Via the Consultant's bank account. Consulting fees are only paid once the relevant participating employer's monthly contributions are successfully captured on the administrator's platform. It is the responsibility of the Consultant to provide the Sanlam

Umbrella Fund with confirmation of the correct commission code and banking details by way of a bank statement header or cancelled cheque, at inception.

Consulting fee statements are distributed monthly on the first working day of each month, to those Consultants who received a payment.

All queries regarding consulting fees should be e-mailed to

ConsultingFees.SUF@sanlam.co.za

You may also contact your dedicated Client Relations Manager for assistance.

Changes to CBC/ CFA Information

Any changes to the Consultant's personal details (e.g. Sanlam commission code, banking details, and address details) are done by means of the normal amendment process.

The amendment document can be found on the Sanlam Umbrella Fund Consultant Toolkit which is distributed monthly to all Contracted Benefit Consultants and Contracted Financial Advisers. The completed and signed document should be submitted directly to **Acceptances4UmbrellaFunds@sanlam.co.za**.

Any change in the Consultant's FAIS status or role should also be communicated via the normal amendment process. Please note that a change to the FAIS status of a Consultant may result in suspension of payment of consulting fees.





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